

LUNDOR MINES LIMITED

INFORMATION CIRCULAR FOR ANNUAL MEETING OF SHAREHOLDERS to be held May 2, 1972.

This Information Circular accompanies the Notice of the Annual Meeting of the Shareholders of Lundor Mines Limited (the Company) to be held May 2, 1972, and is furnished in connection with the solicitation by the management of the Company of proxies for use at said Meeting. The costs of such solicitation will be borne by the Company. It is planned that the solicitation will be initially by mail but proxies may also be solicited by regular employees of the Company.

A proxy in the form enclosed with the Notice of Meeting (a) confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting; and (b) may be revoked at any time in so far as it has not been exercised. In addition to revocation in any other manner permitted by law, a proxy in the form enclosed may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

The shares represented by such proxy will be voted at the Meeting. **A shareholder has the right to appoint a person (who need not be a shareholder) to represent him at the Meeting other than the persons designated in the form of proxy enclosed with the Notice of Meeting. Such right may be exercised by filling in the name of such person in the blank space provided in such form of proxy or by completing another similar form of proxy.**

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are 950,001 shares without par value of the Company outstanding, each of which entitles the registered holder to one vote at any meeting of shareholders.

Only shareholders of record on May 2, 1972, the date of the Meeting, are entitled to vote thereat. Those shareholders desiring to be represented at the Meeting by a nominee must deposit their proxies with the Secretary of the Company, or its transfer agent, Canada Permanent Trust Company, 1901 Yonge Street, Toronto 7, Ontario, at least 48 hours preceding the time of the Meeting.

The directors and senior officers of the Company have been informed that Lake Shore Mines, Limited owns directly or indirectly, 468,805 shares of the Company being approximately 49.3% of the outstanding shares of the Company, and that Malartic Gold Fields (Quebec) Limited owns directly or indirectly 259,465 shares of the Company being approximately 27.3% of the outstanding shares of the Company.

ELECTION OF DIRECTORS

The management of the Company proposes to nominate the persons listed below for election as directors of the Company, to serve until the next annual meeting of the shareholders of the Company or until their successors are duly elected or appointed, unless any such person is unable to act as a director, in which event a substitute may be nominated by the management of the Company. **It is intended that the shares represented by proxies solicited by management will be voted in favour of the election of such persons as directors of the Company.**

<u>Name of Proposed Nominee</u>	<u>Other Positions and Offices with the Company</u>	<u>Period Served as a Director of the Company</u>	<u>Principal Occupation or Employment</u>
Robert C. Stanley, Jr.	President	since 1959	President, Little Long Lac Mines Limited, (Mining Company).
Peter K. Hanley	None	since 1959	A Vice-President of John C. L. Allen Limited, (Stockbrokers).
John C. L. Allen	None	since 1959	Director, Little Long Lac Mines Limited, (Mining Company).
Peter A. Allen	Vice-President	since 1966	President, John C. L. Allen Limited, (Stockbrokers).
Dominic M. Giachino	None	since 1971	Executive, Little Long Lac Mines Limited, (Mining Company).

Each of the above proposed nominees reports that he is the registered holder of one share of the Company but is not the beneficial owner of any shares of the Company.

APPOINTMENT OF AUDITORS

The management of the Company proposes to move the appointment of Thorne, Gunn, Helliwell & Christenson, the Company's present auditors, as auditors of the Company. Thorne, Gunn, Helliwell & Christenson and their predecessor firms, have been auditors of the Company for more than five years. **It is intended that the shares represented by proxies solicited by management will be voted in favour of the appointment of Thorne, Gunn, Helliwell & Christenson as auditors of the Company.**


OTHER BUSINESS

The management of the Company knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if matters not now known to management should come before the Meeting, shares represented by proxies solicited by management will be voted on each such matter in accordance with the best judgment of the nominee voting same.

March 10, 1972.

LUNDOR
MINES
LIMITED

1971
ANNUAL REPORT



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L U N D O R M I N E S L I M I T E D

HEAD OFFICE:

Suite 400, 112 King Street West, Toronto, Ont.

OFFICERS

ROBERT C. STANLEY, JR.	- - - - -	- -	President
P. A. ALLEN	- - - - -	- -	Vice-President
A. G. WILSON	- - - - -	- -	Secretary

DIRECTORS

JOHN C. L. ALLEN	PETER A. ALLEN
D. M. GIACHINO, P.Eng.	P. K. HANLEY
ROBERT C. STANLEY, JR.	

TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY
1901 Yonge Street
Toronto, Ontario

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON
Toronto, Ontario

L U N D O R M I N E S L I M I T E D

Report of the Directors

To the Shareholders:

Your Directors are pleased to submit herewith the Annual Report for the year ended December 31, 1971, together with the Financial Statement and the Auditors' Report thereon.

As will be noted in the balance sheet, the market value of your Company's holdings was \$1,209,000.

The mining claims embracing the Doran Lake iron deposits in the Lake St. Joseph Area, Ontario, in which your Company holds a 48½ percent interest, are being fully maintained.

Respectfully submitted,

On behalf of the Board,

ROBERT C. STANLEY, Jr.,
President.

March 29, 1972.

L U N D O R M I N E S L I M I T E D

AUDITORS' REPORT

To the Shareholders of
Lundor Mines Limited

We have examined the balance sheet of Lundor Mines Limited as at December 31, 1971 and the statements of income and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1971 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,

Chartered Accountants.

Toronto, Canada

February 28, 1972

LUNDOR
MINES
LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet —

(with comparative figures)

ASSETS

	1971	1970
CURRENT ASSETS		
Cash	\$ 2,332	\$ 3,194
Short term deposit		15,000
Marketable securities, at cost less allowance for decline in market value 1971, \$90,000; 1970, \$30,000 (quoted market value 1971, \$294,100; 1970, \$50,800)	294,025	50,588
Accounts receivable and accrued interest	1,087	56
	<u>297,444</u>	<u>68,838</u>
INVESTMENTS IN OTHER COMPANIES		
Associated companies, at cost (note 2)		
Listed shares (quoted market value 1971, \$666,300; 1970, \$1,265,100)	662,092	1,122,937
Other shares		27,021
Shares in other companies, at cost less amounts written off (quoted market value 1971, \$248,600; 1970, \$47,250)	316,123	90,541
	<u>978,215</u>	<u>1,240,499</u>
OTHER ASSETS		
Interest in patented mining claims, Doran Lake, Ontario, at cost	2,000	2,000
Deferred exploration expenditures, Doran Lake, Ontario, claims in which the company has an interest of 48½%	8,672	8,672
	<u>10,672</u>	<u>10,672</u>
	<u>\$1,286,331</u>	<u>\$1,320,009</u>

L U N D O R M I N E S L I M I T E D

December 31, 1971

December 31, 1970)

LIABILITIES

CURRENT LIABILITIES	1971	1970
Accounts payable	\$ 26	\$ 573

SHAREHOLDERS' EQUITY

Capital stock (note 3)

Authorized — 3,000,000 shares without par value (5,000,000 shares of \$1 each in 1970)

Issued — 950,001 shares (4,750,005 shares in 1970)	1,915,005	4,750,005
Less discount on shares		2,835,000

1,915,005	1,915,005
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Deduct deficit	628,700	595,569
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1,286,305	1,319,436
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Approved by the Board

P. K. HANLEY, Director.

P. A. ALLEN, Director.

\$1,286,331	\$1,320,009
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L U N D O R M I N E S L I M I T E D

Statement of Income and Deficit

Year Ended December 31, 1971
(with comparative figures for 1970)

	1971	1970
REVENUE		
Dividends and interest	\$ 542	\$ 3,690
ADMINISTRATIVE AND CORPORATE EXPENSES		
Management, engineering, accounting and secretarial services		12,000
Shareholders' meetings and reports	2,482	1,472
Legal and audit	3,469	511
Share issue expenses	3,008	814
Mining claim licenses and taxes	102	
Provincial government fee for capital reorganization	910	
Sundry	155	(38)
	10,126	14,759
Loss before extraordinary items	9,584	11,069
EXTRAORDINARY ITEMS		
Gain (loss) on investments sold	36,453	(1,960)
Allowance for decline in market value of marketable securities	(60,000)	(15,000)
	(23,547)	(16,960)
Loss for the year	33,131	28,029
Deficit at beginning of year	595,569	567,540
Deficit at end of year	\$ 628,700	\$ 595,569
LOSS PER SHARE		
Loss before extraordinary items	1¢	1¢
Loss for the year	3¢	3¢

LUNDOR MINES LIMITED

Statement of Source and Application of Funds

Year Ended December 31, 1971
(with comparative figures for 1970)

	1971	1970
SOURCE OF FUNDS		
Sale of shares		
Associated companies	\$ 568,214	
Other companies	2,266	
	<u>570,480</u>	
APPLICATION OF FUNDS		
Loss before extraordinary items	9,584	\$ 11,069
Loss on sale of marketable securities	19,036	1,960
Allowance for the decline in market value of marketable securities	60,000	15,000
Purchase of shares		
Associated companies	27,125	40,582
Other companies	225,582	
	<u>341,327</u>	<u>68,611</u>
Increase (decrease) in working capital	229,153	(68,611)
Working capital at beginning of year	68,265	136,876
Working capital at end of year	<u>\$ 297,418</u>	<u>\$ 68,265</u>

Notes to Financial Statements

December 31, 1971

1. CHANGE OF COMPANY'S NAME
During the year the company changed its name from Lun-Echo Gold Mines Limited to Lundor Mines Limited.
2. INVESTMENT IN ASSOCIATED COMPANIES
The market values shown are based on closing market prices at December 31 in each year. Because of the number of shares involved and the fact that in certain instances the securities involved represent control of the companies concerned, the amounts that would be realized if these securities were to be sold may be more or less than their indicated market value.
3. CAPITAL STOCK
The authorized capital was also changed from 5,000,000 shares with a par value of \$1 each to 1,000,000 shares without par value and then increased to 3,000,000 shares without par value. The 4,750,005 issued shares with a par value of \$1 were consolidated into 950,001 shares without par value.

